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MINISTRY OF COMMERCE AND INDUSTRY

NOTIFICATION

New Delhi, the 17th December 1952

No. SO(B)-45(22)/52.—In exercise of the powers conferred by section 14 of the Iron and Steel Companies Amalgamation Ordinance, 1952 (VIII of 1952), and in supersession of the Government of India, Ministry of Commerce and Industry Notification, No. SC(B)-45(22)/52, dated 28th November, 1952, the Central Government hereby makes the following rules:—

1. These rules may be called the Iron and Steel Companies Amalgamation Rules.

2. In these rules—

(a) “the Ordinance” means the Iron and Steel Companies Amalgamation Ordinance, 1952 (VIII of 1952);

(b) the expressions “dissolved company” and the “Iron and Steel Company” shall have the meanings assigned to them respectively in the Ordinance.

3. Every person to whom ordinary shares in the Iron and Steel Company have been allotted in pursuance of clause (b) of sub-section (1) of section 7 of the Ordinance, or who has acquired by transfer all rights under such an allotment shall, on presentation within such period as the Iron and Steel Company may, by public notification, appoint (such date not being later than the 30th day of June 1953), of the allotment letter and the relevant share certificates of the dissolved company be entitled to receive such number of share certificates in the Iron and Steel Company as is mentioned in the allotment letter:

Provided that the Iron and Steel Company shall not be required to issue share certificates in respect of any fractional allotment letters not amounting in the aggregate to a whole number of shares.

4. Where the number of ordinary shares in the Iron and Steel Company to be allotted to a holder of ordinary shares in the dissolved company

includes a fraction of a share or consists of a whole number of shares together with a fraction, the Iron and Steel Company shall issue to such holder separate allotment letters for the whole number and the fraction respectively.

5. Every person to whom fractional shares in the Iron and Steel Company have been allotted or who has acquired by transfer all rights under such allotment, in every case where the fractional shares so allotted or acquired by transfer represent in all one or more whole number of shares in the Iron and Steel Company, shall, on presentation of the allotment letter and the relevant share certificates in the dissolved company to the Iron and Steel Company within such date as the Iron and Steel Company may, by public notification, appoint (such date not being later than the 30th day of June, 1953), be entitled to receive one or more share certificates in respect of such whole number of shares.

6. As from the 1st day of July, 1953, the right specified in rule 5 shall lapse, and the Iron and Steel Company shall thereupon be entitled to sell the shares represented by all outstanding fractional allotment letters not so presented, and the aggregate net sale proceeds realized by such sale shall be divided proportionately and paid by the Iron and Steel Company to the holders of fractional certificates against surrender of the allotment letters together with the relevant share certificates in the dissolved company.

7. The Articles of Association of the Iron and Steel Company Limited shall stand altered in the following manner.—

(a) for clause 1 of article 5, the following shall be substituted, namely:—

“I At the date of the adoption of this article, the capital of the Company is rupees eight and half crores divided into fifty-five lakhs of ordinary shares of rupees ten each and three lakhs cumulative preference shares of rupees hundred each.”;

(b) to article 66, the following proviso shall be added, namely —

“Provided that any sum or sums of moneys borrowed after the 28th day of November, 1952, from the International Bank for Reconstruction and Development or from the Central Government shall not be taken into account in computing the total amount which may be borrowed by the Board of Directors under the provisions of this article.”;

(c) for the second paragraph of article 107, the following shall be substituted, namely.—

“2. If the Government of India makes a loan or advance to the Iron and Steel Company in accordance with any agreement entered into between the Iron and Steel Company and the Government of India in this behalf, the Central Government shall be entitled, so long as the loan or advance or any portion thereof remains outstanding, to be represented on the Board of Directors of the Iron and Steel Company by one Director appointed by it, and, notwithstanding anything contained in sub-section (2) of

section 83B of the Indian Companies Act, 1913, such Director shall be deemed to be a director appointed *ex-officio* whose period of office shall not be liable to determination at any time by retirement of directors in rotation. Such Director shall hold office during the pleasure of the Central Government and shall hold office until he is removed by the Central Government or dies or vacates his office under article 115. A Director appointed under this article is herein referred to as a nominated Director and if by reason of any appointment under this article the number of directors exceed the maximum number fixed by or in accordance with article 108, one of the directors (other than the nominated director) then in office to be determined by the Board shall vacate office, and failing such determination within fourteen days of such appointment, one of the Directors (other than a nominated Director) who has been a director for the shortest time shall vacate office at the expiration of the said period of fourteen days."

B. B. SAKSENA, Dy. Secy.

